

Roll Call, June 7, 2004

With the fiscal 2004 spending blueprint still in a holding pattern, House leaders are pushing forward on reforming the budget process even as the issue has temporarily fallen off the Senate radar.

In the House, GOP leaders are tentatively looking to put a budget enforcement measure on the floor next week, though it remains to be seen whether they will allow a vote on the more controversial reform proposals some Members have advocated.

Meanwhile, Senate GOP leaders have sidelined their proposal to vote on changes to budget enforcement rules, while they shop around for other ways to convince at least two of four Republican moderates to give them the votes they need to pass the House-Senate budget resolution.

The House's primary legislative vehicle will be a bill being drafted by Budget Chairman Jim Nussle (R-Iowa). His measure will be concentrated on budget enforcement rather than more radical reforms, and will include discretionary spending caps and pay-as-you-go rules for new expenditures.

"We're trying to make sure it stays as clean as possible and stays focused on enforcement," said Budget spokesman Sean Spicer. "Our key is to make sure any changes to the bill don't detract from its overall support."

While lawmakers from across the GOP's ideological spectrum — and some Democrats — have expressed an interest in implementing budget-process reforms, each systemic change also has its opponents.

Freshman Rep. Jeb Hensarling (R-Texas) has been the most vocal advocate of a broad package of reforms, including giving the budget the force of law, allowing enhanced rescissions of individual projects and implementing sunset provisions for spending programs. He would also try to explore ways to hold down mandatory spending on programs such as Social Security and Medicare.

Hensarling said Nussle's approach was "certainly a step in the right direction [but] there a number of us who would like to go a whole lot further."

The Texan added that he understood that his proposals might not garner enough votes to pass — especially since they would likely be opposed by appropriators — but that the debate would still be a useful exercise.

"We want to pass something," he said. "I agree with that but at the same time I think it would be very clarifying to have the yeas and nays on it."

Rep. Mark Kirk (R-Ill.), meanwhile, is putting together his own draft substitute amendment that would reflect a consensus proposal developed earlier this year by the conservative Republican Study Committee and the moderate Tuesday Group.

"It's more than Nussle and less than Hensarling," Kirk said of his plan.

Kirk would incorporate some of the same ideas pushed by Hensarling but would be far less aggressive in going after mandatory programs. Kirk is also a member of the Appropriations Committee and has been involved in negotiations between that panel and Budget on the issue of spending caps.

While the leadership has not made any final decisions, Kirk said he believed that both he and Hensarling would have the opportunity to offer their substitutes to Nussle's base bill.

The Illinois lawmaker said he believed the budget reform bill would have symbolic value even if it never gets through the other chamber.

"To recognize political reality, the chances of this passing the Senate are low, but this should be

a scene-setter for the coming debate on the debt-limit extension,” he said.

Internal disputes between Senate GOP leaders and rank-and-file conservatives appear to have pushed the notion of voting on budget enforcement off the agenda for the time being in the Senate.

The proposal began as a way to convince Sens. Lincoln Chafee (R-R.I.), Susan Collins (R-Maine), John McCain (R-Ariz.) and Olympia Snowe (R-Maine) to vote for the bicameral budget resolution, which they have opposed because it would only institute strict “pay as you go,” or PAYGO, budget rules for one year.

The Senate originally voted for five years of PAYGO rules. Those rules, which would require any new mandatory spending or tax cuts to be offset, could only be overridden by a 60-vote majority in the Senate.

But almost as quickly as they broached the notion of having separate votes to institute PAYGO for multiple years as well as on other budget enforcement rules, Senate GOP leaders pulled the proposal off the table.

“It was not quite ready for prime time,” said one knowledgeable senior Senate GOP aide.

The aide noted that getting unanimous consent, or the approval of all 100 Senators, to move forward with such a proposed floor debate appeared impossible.

“Some of these things require more cooperation than others,” said the aide, noting that both Democrats and conservative Republicans would likely have been obstacles to unanimous consent.

“We try to gravitate to the simpler solutions,” said the aide. “But it could be that we’ll end up coming back to” budget enforcement rules.

So Senate Budget Chairman Don Nickles (R-Okla.) instead offered to strip a \$27 billion reconciliation tax package from the budget resolution. Moderates had worried that GOP leaders in both chambers would try to use reconciliation — which is protected from filibuster by Senate rules — for a variety of non-priority tax cuts, rather than extend three popular middle-class tax cuts that many Members believe could pass without the protection of reconciliation.

Nickles offered to push for adoption of the three tax cuts, which would expand the 10 percent income tax bracket and provide relief for married couples and families with children, as part of another tax bill moving through Congress.

But the proposal to divorce reconciliation from the budget also appeared to be going nowhere with moderates last week, given their primary concern that PAYGO be effective for more than one year.

“This has not been a week that’s advanced the ball on anything,” said a senior GOP leadership aide on Friday. “We have still not given up hope that we’ll be able to work something out.”

Meanwhile, the nearly two-month delay in adopting a budget has prompted many rank-and-file Senate Republicans to start lobbying the four moderate holdouts in a variety of ways, including offers of vote trading.

Most notably, Senate appropriators reportedly have begun trying to convince the four moderates to vote for the budget with the promise of granting special spending projects in the their home states.

One wary Senate GOP aide noted that those entreaties could be seen as a threat to withhold appropriations projects from Members who do not agree to vote for the budget.